



Deschutes County Board of Commissioners
1300 NW Wall St., Suite 200, Bend, OR 97701-1960
(541) 388-6570 - Fax (541) 385-3202 - www.deschutes.org

AGENDA REQUEST & STAFF REPORT

For Board Business Meeting of June 1, 2022

DATE: May 6, 2022

FROM: Dave Doyle Legal 388-6625

TITLE OF AGENDA ITEM:

Board Resolution No. 2022-031, A Resolution authorizing the Sunriver Service District to proceed with issuance of full faith and credit obligations not to exceed \$7,000,000 to finance a portion of the costs to remodel and expand the Sunriver Public Safety Building.

Board Order No. 2022-026, a Certificate relating to the authorization, issuance, sale and delivery of the identified credit obligations.

PUBLIC HEARING ON THIS DATE? No.

BACKGROUND AND POLICY IMPLICATIONS:

The District will use the revenue from the ten-year capital improvement local option tax to fund debt service for financing utilized to remodel and expand the Sunriver Public Safety Building.

FISCAL IMPLICATIONS:

None to the County; some indirect costs to the District.

RECOMMENDATION & ACTION REQUESTED:

Board signature of Resolution 2022-031 authorizing the Sunriver Service District to proceed with issuance of full faith and credit obligations not to exceed \$7,000,000 to finance a portion of the costs to remodel and expand the Sunriver Public Safety Building.

Board authorization of Chair signature of Order No. 2022-026, a Certificate relating to the authorization, issuance, sale and delivery of the identified credit obligations.

ATTENDANCE: SRSD, County Legal

DISTRIBUTION OF DOCUMENTS:

County Counsel
SRSD

REVIEWED

LEGAL COUNSEL

For Recording Stamp Only

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON
AS THE GOVERNING BODY OF THE SUNRIVER SERVICE DISTRICT

A Resolution Authorizing the Issuance, Sale,
Execution and Delivery of Full Faith and Credit
Obligations, in One or More Series, in an
Aggregate Principal Amount Not to Exceed
\$7,000,000 to Finance a Portion of the Costs of
Constructing a New Public Safety Facility and to
Pay Costs of Issuance Related Thereto;
Designating an Authorized Representative;
Delegating Responsibilities; and Related Matters

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RESOLUTION NO. 2022-031

WHEREAS, the Board of County Commissioners of Deschutes County, Oregon (the "Commission"), acting as the Governing Body of the Sunriver Service District (the "District") is authorized pursuant to the Statutes of the State of Oregon, specifically Oregon Revised Statutes ("ORS") Chapter 451, including ORS 451.490, and ORS 271.390 (collectively, the "Act"), to enter into contracts for the financing of any real or personal property that the District determines is needed and to secure such contracts by the full faith and credit of the District pursuant to ORS 287A.315; and

WHEREAS, the Commission, acting as the Governing Body of the District, adopted Resolution 2022-006, on February 9, 2022, directing the County Clerk of Deschutes County, Oregon (the "County Clerk"), pursuant to Article XI, Section 1(4)(b) of the Oregon Constitution and ORS 280.060, to submit to registered voters of the District the question of authorizing a ten-year capital levy of \$0.47 per \$1,000 of assessed value in the District (the "Capital Levy") to finance a portion of costs of constructing a new Public Safety Facility for the District (the "Project"); and

WHEREAS, pursuant to an election duly and legally held on May 17, 2022 (the "Capital Levy Election"), a majority of the electors of the District voted to approve the Capital Levy; and

WHEREAS, the County Clerk is expected to certify the results of the Capital Levy Election on June 13, 2022 (the "Election Certification"); and

WHEREAS, the Commission has determined that it is financially feasible and in the best interests of the District to issue full faith and credit obligations in an amount not to exceed \$[7,000,000] (the "Obligations") to finance the Project and to pay costs of issuance related thereto; and

WHEREAS, the Commission adopts this Resolution (i) to provide the terms under which the Obligations will be sold, executed and delivered and (ii) to designate an authorized representative of the District and delegate responsibilities; now therefore,

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON, as the GOVERNING BODY OF THE SUNRIVER SERVICE DISTRICT, as follows:

Section 1. Full Faith and Credit Obligations Authorized. Subject to and contingent upon the occurrence of the Election Certification, the Commission hereby authorizes the issuance of the Obligations by the District in one or more taxable or tax-exempt series to finance a portion of the costs of the Project and to pay costs of issuance related thereto. The true interest costs on the Obligations shall not exceed [five percent (5.00%)] per annum.

Section 2. Designation of Authorized Representative. The Commission designates the Commission Chair, the District Chair and their respective designees (collectively, the “Authorized Representative”), to act on behalf of the District and to determine the terms of the Obligations as specified in Section 8 hereof.

Section 3. Security. The full faith and credit and taxing powers of the District are pledged to the successive owners of each of the Obligations (the “Owners”) for the punctual payment of such obligations when due. The District covenants with the Owners to levy annually a direct ad valorem tax upon all of the taxable property within the District in the amount authorized by the Capital Levy, and outside of the limitations of section 11(3), Article XI of the Oregon Constitution.

Section 4. Form of the Obligations. The Obligations shall be prepared by Special Counsel in substantially the form approved by the Authorized Representative and shall be attached to the Financing Agreement (as defined herein).

Section 5. Execution of the Obligations. The Obligations shall be executed on behalf of the District with the manual or facsimile signature of the District Chair and attested to by the manual or facsimile signature of the Secretary or Treasurer of the District.

Section 6. Redemption of the Obligations and Notice of Redemption. The Obligations may be subject to optional redemption and mandatory redemption prior to maturity as determined by the Authorized Representative pursuant to this Resolution and as set forth in the Financing Agreement (as defined herein), including provisions with respect to the form, content and delivery of notices of redemption.

Section 7. Tax-Exempt Status. In the event the Obligations are issued as tax-exempt Obligations, the District covenants to use the proceeds of the Obligations, and the Project, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), so that interest paid on the Obligations will not be includable in gross income of the Owners for federal income tax purposes. The District specifically covenants:

(a) to comply with the “arbitrage” provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the Obligations;

(b) to operate the facilities financed with the proceeds of the Obligations so that the Obligations are not “private activity bonds” under Section 141 of the Code; and

- (c) comply with all reporting requirements.

The Authorized Representative may enter into covenants on behalf of the District to protect the tax-exempt status of the Obligations.

Section 8. Delegation for Establishment of Terms and Sale of the Obligations. The Authorized Representative is hereby authorized, on behalf of the District and without further action of the Commission, to:

- (a) establish the dated date, principal and interest payment dates, principal amounts, optional and mandatory redemption provisions, if any, interest rates, and denominations and all other terms for the Obligations;

- (b) negotiate, execute and deliver a financing agreement (the “Financing Agreement”) that among other things, sets forth the final terms, covenants, representations and agreements determined by the Authorized Representative to be necessary and appropriate in connection with the issuance, sale, execution and delivery of the Obligations and consistent with the intents and purposes set out in this Resolution;

- (c) appoint a paying agent and registrar for the Obligations, if applicable;

- (d) select one or more underwriters or lenders and negotiate the sale of any series of Obligations to such underwriters or lenders;

- (e) approve the form of Obligations;

- (f) enter into covenants regarding the use of the proceeds of the Obligations and the Project financed with the proceeds of the Obligations, to maintain the tax-exempt status of the Obligations;

- (g) establish funds and accounts under the Financing Agreement into which the proceeds of the Obligations shall be deposited, which funds and accounts shall be continually maintained, except as otherwise provided, so long as the Obligations remain unpaid;

- (h) approve, execute and deliver closing documents and certificates; and

- (i) execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 8, and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell, deliver and administer the Obligations in accordance with this Resolution.

Section 9. Defeasance. The District may defease the Obligations pursuant to the terms of the Financing Agreement.

Section 10. Appointment of Special Counsel. The Commission acting as the governing body of the District hereby appoints Orrick, Herrington & Sutcliffe LLP as Special Counsel to the District with respect to the Obligations.

Section 11. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Obligations by the Owners, the provisions of this Resolution shall be part of the contract of the District with the Owners and shall be deemed to be and shall constitute a contract between the District and the Owners. The covenants, pledges, representations and agreements contained in this Resolution or in the closing documents executed in connection with the Obligations, including without limitation the District’s covenants and pledges contained in Sections 3 and 7 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the District shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

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Section 12. Effective Date of Resolution. This Resolution shall become effective immediately upon its adoption by the Commission.

Dated this _____ of June, 2022

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON, as
the GOVERNING BODY OF THE
SUNRIVER SERVICE DISTRICT

PATTI ADAIR, Chair

ANTHONY DeBONE, Vice Chair

PHIL CHANG, Commissioner

ATTEST:

Recording Secretary

BOARD OF COUNTY COMMISSIONERS CERTIFICATE

Board Order No. 2022-026

**[\$7,000,000]
SUNRIVER SERVICE DISTRICT
FULL FAITH AND CREDIT OBLIGATION
SERIES 2022**

I, Patti Adair, as Chair of the Board of County Commissioners of Deschutes County (the "Board"), do hereby deliver this Certificate on behalf of the Board in connection with Resolution No. 2022-031 adopted by the Board, acting as the governing body of the Sunriver Service District (the "District") on June 1, 2022 (the "Resolution"), authorizing, among other things, the issuance, sale, execution and delivery of the District's \$[7,000,000] Full Faith and Credit Obligation, Series 2022 (the "Obligation"). Capitalized terms used but not otherwise defined herein shall have the meaning given in the Resolution.

To my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, including Deschutes County (the "County") or body pending or, to the best of the knowledge of the Board, threatened against the County to restrain or enjoin the enactment of the Resolution or the collection and application of the Security as contemplated by the Resolution, which, in the reasonable judgment of the County, would have a material and adverse effect on the ability of the District to pay the amounts due on the Obligation.

No default under the Resolution has occurred nor is one continuing.

The names of the members of the Board, their respective positions, and the dates of expiration of their respective terms of office are as follows:

<u>Name</u>	<u>Position</u>	<u>Service Expires</u>
Patti Adair, Chair	#3	2023
Anthony DeBone	#1	2023
Phil Chang	#2	2025

In accordance with ORS 192.630 and ORS 192.640, all meetings of the County relating to the final authorization, issuance, sale and delivery of the Obligation have been:

- i. open to the public, allowing all people to attend;
- ii. conducted in accordance with internal procedures of the County with a quorum of the Board in attendance;
- iii. held at places that do not practice discrimination on the basis of race, creed, color, sex, age, national origin or disability;

- iv. held within the geographic boundaries over which the Board has jurisdiction, or at the administrative headquarters of the County or at the other nearest practical location;
- v. announced by public notice reasonably calculated to give actual notice to interested persons, including news media which have requested notice, which public notice has included the time and place of the meeting and listed the principal subjects anticipated to be considered at such meeting; and
- vi. in the case of special meetings, announced with at least 24 hours' notice to members of the Board, the news media which have requested notice and to the general public.

[SIGNATURE PAGE FOLLOWS]

DATED _____ day of June 2022.

**BOARD OF COUNTY COMMISSIONERS,
DESCHUTES COUNTY, OREGON**

By: _____
Patti Adair
Chair